

IN THE MATTER OF:

FRANK J. WARD, III,

THE MONEY CENTRE, LTD,

WARD CONSTRUCTION, INC., and

ANNETTE COSTON,

Respondents.

BEFORE THE MARYLAND

COMMISSIONER OF

FINANCIAL REGULATION

Case No.: CFR-FY2010-418

**SUPPLEMENT TO AMENDED SUMMARY ORDER
TO CEASE AND DESIST AND ORDER TO PRODUCE**

WHEREAS, the Commissioner of Financial Regulation (the “Commissioner”) undertook an investigation into the mortgage lending, brokering, and originating business activities of Frank J. Ward, III (“Ward”), The Money Centre, LTD (“TMC”), Ward Construction, Inc. (“Ward Construction”), and Annette Coston (“Coston”), (collectively the “Respondents”); and

WHEREAS, as a result of that investigation, the Deputy Commissioner of Financial Regulation (the “Deputy Commissioner”) found evidence to support that Respondents have engaged, and continue to engage, in acts or practices constituting a violation of a law, regulation, rule or order over which the Commissioner has jurisdiction, namely that Respondents have violated various provisions of the Annotated Code of Maryland, including, but not limited to, Title 11, Subtitle 5 of the Financial Institutions Article (“FI”), Annotated Code of Maryland (the Maryland Mortgage Lender Law, or “MMLL”), Title 11, Subtitle 6 of the Financial Institutions Article, Annotated Code of Maryland (the Maryland

Mortgage Originators Law, or “MMOL”), Title 12, Subtitle 8 of the Commercial Law Article (“CL”), Annotated Code of Maryland (the Maryland Finder’s Fee Law, or “MFFL”), and/or Title 7, Subtitle 4 of the Real Property Article (“RP”), Annotated Code of Maryland (the Maryland Mortgage Fraud Protection Act, or “MMFPA”), as well as violating Maryland law prohibiting the commission of acts resulting in fraud; and

WHEREAS, the Deputy Commissioner issued an Amended Summary Order to Cease and Desist and Order to Produce (the “Amended Summary Order”) against Respondents on July 14, 2011, after determining that Respondents were in violation of several of the aforementioned provisions of Maryland law, and that it was in the public interest that Respondents cease and desist from lending, brokering, originating, mitigating, or engaging in any other activities involving Maryland mortgage loans or otherwise pertaining to the mortgage industry in Maryland; and

WHEREAS, pursuant to the Deputy Commissioner’s continued investigation into this matter, the Deputy Commissioner has determined that Respondents provided unlicensed mortgage lending, brokering, and loan origination services related to Maryland residential real property involving Maryland consumers, and engaged in a mortgage fraud scheme, all in violation of various provisions of Maryland Law, including, but not limited to, the MMLL the MMOL, the MFFL, and/or the MMFPA, as well as in violation of Maryland law prohibiting the commission of acts resulting in fraud.

WHEREAS, new and relevant information has been revealed during the course of the Deputy Commissioner’s continued investigation into this matter. The additional factual findings for the above described violations of Maryland law are as follows:

a. That the Deputy Commissioner's current investigation determined that Respondent Ward was the mortgage lender in three (3) additional mortgage loans involving Maryland residential real property. See "Amended Exhibit A" attached hereto. Further, the Commissioner's current investigation revealed that these three (3) additional mortgage loans provided for interest payments on the principal amount of the respective loan. *Id*;

b. That the Deputy Commissioner's current investigation determined that Respondent TMC brokered three (3) additional mortgage loans involving Maryland residential real property in which Respondent Ward was the mortgage lender. See "Amended Exhibit A" attached hereto;

c. That the Deputy Commissioner's current investigation determined that Respondent Coston originated three (3) additional mortgage loans involving Maryland residential real property on behalf of TMC in which Ward was the mortgage lender. See "Amended Exhibit A" attached hereto;

d. On September 25, 2008, [REDACTED] purchased a home from Ward and Angelique B. Ward, in which Ward was the loan originator on behalf of TMC, as well as the lender, individually, on the mortgage. Ward provided a forty (40) year purchase money mortgage, with a \$286,568.90 principal amount and an eight and a half (8.5) percent interest rate. The Commissioner's current investigation determined that TMC collected a \$1,000 broker's fee. As Ward was the mortgage lender, TMC was not authorized under Maryland law to collect an origination fee for this mortgage loan.

NOW, THEREFORE, having determined that new and relevant information has been revealed and that such information should be incorporated into the Amended Summary Order, it is, by the Maryland Commissioner of Financial Regulation, hereby

ORDERED that the Amended Summary Order issued on July 14, 2011, is **SUPPLEMENTED** by incorporating the information described herein and listed in "Amended Exhibit A" attached hereto. Nothing in this Supplement to Amended Summary Order to Cease and Desist and Order to Produce (this "Supplement") shall be construed to vitiate the legal obligations and dictates arising under the Amended Summary Order. Accordingly, the Amended Summary Order remains in full force and effect.

RESPONDENTS ARE HEREBY NOTIFIED that, pursuant to FI §§ 2-115(b), 11-517(c), and 11-615(c), and RP § 7-404.1, and based on the violations described in the Amended Summary Order and this Supplement, as a result of a hearing the Commissioner may, in the Commissioner's discretion, and in addition to taking any other action authorized by law, take the following actions: enter an order making this Amended Summary Order final; issue an order requiring that Respondents refund all interest, costs, originator fees, broker fees, and/or other charges paid by Maryland consumers to Respondents in conjunction with residential mortgage loans that were originated, brokered, or closed during periods when the Respondents did not hold the appropriate license under the MMLL and/or the MMOL, or otherwise were in violation of those provisions of any other law governing mortgage loan lending in the State of Maryland; issue an order requiring that Respondent to take affirmative action to correct the violations described herein, including providing restitution of money or property to any person aggrieved by these violations; issue a penalty order against Respondents imposing a civil penalty up to \$5,000 for each violation of the

MMLL and/or the MMOL; issue a penalty order against Respondents imposing a civil penalty up to \$1,000 for each violation of the MMFPA; issue a penalty order against Respondents imposing a civil penalty up to \$1,000 for each violation of FI § 2-114; issue a penalty order against the Respondents imposing a civil penalty up to \$5,000 for each subsequent violation of these laws; issue an order against Respondents imposing a \$250 per-day investigation fee for each employee investigating this matter; or may take any combination of the aforementioned actions against the Respondents. Additionally, pursuant to § 11-517(a), the Commissioner may revoke or suspend TMC's Maryland Mortgage Lender License (License No.: 06-6441). Pursuant to FI §§ 11-517 and 11-615, as a result of the Respondent's failure to comply with requirements imposed under this Amended Summary Order and/or the Consent Agreement, the Commissioner may also seek enforcement of such orders in the Maryland Circuit Court. Further, pursuant to CL § 12-807, in each instance in which the Respondents failed to fully comply with the requirements imposed under the MFFL, the Commissioner may enter an order directing the Respondents to forfeit to each respective borrower the greater of three times the amount of the finder's fee collected or \$500. The Commissioner may also refer this matter to the appropriate law enforcement agency for criminal prosecution for the violations described herein.

**MARYLAND COMMISSIONER OF
FINANCIAL REGULATION**

7/26/11
Date

Anne Balcer Norton
By: Anne Balcer Norton
Deputy Commissioner